## **Income Tax - Coal Credit**

What was the Colorado Coal Income Tax Credit?

The Colorado coal credit was available to C-corporations for tax years beginning on or after January 1, 1989, but prior to January 1, 2005. The credit was \$1 per ton for the number of tons of Colorado coal purchased in excess of the number of tons purchased in 1988. Any credit in excess of the tax liability had a three-year carryforward provision.

Only the ultimate user of the coal could claim the credit, except that if the purchaser was not subject to Colorado tax, the credit could be passed back to the seller in exchange for a discount on the purchase price of the coal. Brokers or middlemen included in purchasing and selling the coal to the ultimate user were not eligible for the credit.

Colorado coal means coal mined in Colorado.